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Organizational matters

Report of the first regular session 2009 (19 to 22 January 2009, New York)

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I. Organizational matters

1. The first regular session 2009 of the Executive Board of UNDP and UNFPA was held at United Nations Headquarters, New York, from 19 to 22 January.

2. In accordance with article 49 of the rules of procedure of the Economic and Social Council, the Executive Board elected the following members of the Bureau for 2009:

President: H.E. Mr. Mohammad Khazaee	(Islamic Republic of Iran)
Vice-President: Mr. William Exantus	(Republic of Haiti)
Vice-President: Mr. Jeroen Steeghs	(Kingdom of the Netherlands)
Vice-President: Mr. Dragan Mićić	(Republic of Serbia)
Vice-President: Mr. Omary Mjenga	(United Republic of Tanzania)

3. Upon his election, the new President made an introductory statement. He also announced that the UNDP Administrator had decided not to seek a second term, and that the current Executive Board session would be his last.

4. At the session, the Executive Board approved the agenda and work plan for its first regular session 2009 (DP/2009/L.1) and the report of the second regular session 2008 (DP/2009/1) and its associated- corrigendum (DP/2009/1/Corr.1). The Executive Board adopted the tentative annual work plan 2009 (DP/2009/CRP.1) and approved the tentative work plan for the annual session 2009.

5. Decisions adopted by the Executive Board in 2008 appeared in document DP/2009/2; those adopted at the first regular session 2009 were included in document DP/2009/8, which can be accessed on the web site of the Executive Board secretariat at www.undp.org/execbrd.

6. The Executive Board agreed in decision 2009/8 to the following schedule of future sessions of the Executive Board in 2009:

Annual session 2009:	26 May to 5 June 2009 (New York)
Second regular session 2009:	8 to 11 September 2009

UNDP segment

Statement by the Administrator

7. The Administrator thanked delegations for their support of UNDP during his time with the organization. He highlighted some of the difficult decisions made by the Executive Board and elaborated on the global economic crisis and its potential impacts on economic growth in the context of an increasingly globalized and interconnected financial system. Continued development efforts, he said, were the only way to mitigate harm to the world's poorest people.

8. In providing a snapshot of UNDP to Executive Board members, he touched upon:

(a) *Making the United Nations more coherent, effective and efficient*, through continued harmonization;

(b) *UNDP in an interdependent world*, and the need to link country-level and global issues more closely;

(c) *The security challenge faced by UNDP*, and efforts to upgrade and reinforce premises in the most vulnerable locations;

(d) *UNDP resource mobilization and resource management*, including 2008 regular core resource contributions reaching close to $1.1 billion;

(e) *Accountability and transparency measures*, including improvements in the publication of information on programmes, finance, procurement, human resources and legal issues, on 90 per cent of UNDP country office websites;

(f) *Successful UNDP activities around the globe*, including support to elections, human development work, enhancing capacities to deal with climate change, and assistance to countries wishing to use the 'Millennium Development Goal (MDG) carbon facility.'

9. The Administrator called for continued efforts to find common ground; for the Executive Board and UNDP to seek out opportunities in times of crisis; and for continued efforts on the part of UNDP staff around the world.

10. Delegations expressed thanks and admiration for the Administrator of UNDP and for his hard work at the helm of the organization during challenging times. Several delegations called for a need to maintain – or increase – funding and development assistance in the face of economic turmoil. They argued that UNDP must have long-term, stable funding for its development activities, and industrialized countries must strive to reach the official development assistance target of 0.7 per cent of gross domestic product for aid and development. Some delegations asked UNDP to begin realigning and repositioning its plans in the context of the global economic crisis. Others asked UNDP to continue stocktaking and monitoring progress towards the MDGs.

11. Delegations called upon UNDP to continue its focus on crisis and post-crisis recovery, effectiveness in delivering aid, strengthening capacity-building and increasing coherence and harmonization to ensure that the United Nations is more than the sum of its parts. Several delegations highlighted the opportunity to harmonize the strategic plan and the triennial comprehensive policy review and asked UNDP to work to improve coordination between the United Nations Development Assistance Framework (UNDAF), country programmes and national development plans.

12. Delegations recognized that the accountability framework of UNDP has improved transparency and efficiency and asked that further progress be made. One delegation took note of UNDP advances in addressing the findings of the Board of Auditors and indicated that additional effort is required. Several delegations requested UNDP to undertake a more sustained effort to mainstream gender throughout the organization and further prioritize gender balance. Many delegations stressed that the Executive Board must avoid politicizing the work of UNDP and, instead, help it maintain impartiality and neutrality in delivering development assistance. Those delegations also requested a fair, transparent search for a new UNDP Administrator, taking into account the views and opinions of developing and donor countries alike.

II. Financial, budgetary and administrative matters

Report on cost classification

13. The Associate Administrator of UNDP introduced the report and reminded delegations that the document responded directly to decisions 2007/33 and 2008/1 by providing a high-level conceptual framework and broad 'road map' to realign cost classifications for greater transparency and results orientation.

14. In outlining the conceptual framework, the Associate Administrator touched upon the role of UNDP to support programme countries in fulfilling their national development strategies. Current cost classification categories, he said, restricted the ability of UNDP to respond flexibly to evolving country level demands for broader operational, knowledge-transfer capacity and advisory support services.

15. The Associate Administrator presented a cost classification 'road map' for consideration by Executive Board members, featuring:

(a) *Three guiding principles*: transparent identification and attribution of costs; rationalization and simplification of cost classification groupings; and alignment among the UNDP business model, the strategic plan, and the cost classification and funding frameworks;

(b) *Three broad cost classification grouping*: 'development', 'management', and 'special purpose' categories. The 'development' category will have three streams – programmes, programme effectiveness activities, and United Nations development coordination activities;

(c) *Cost neutrality*, whereby the total of costs classified within the current biennial support budget format would decrease, while the total classified within the current programming arrangements would increase, based on the introduction of the 'programme effectiveness' subgroup.

16. The Associate Administrator reiterated a commitment by UNDP to engage in consultations at the annual session 2009, leading up to formal consideration of the biennial support budget, 2010-2011; and the mid-term review of the programming arrangements, 2008-2011, at the second regular session 2009. He recalled guidance provided by the Executive Board, including comments on the need for harmonization among the funds and programmes, especially UNICEF and UNFPA, bearing in mind the distinct mandates and business models of each organization.

17. The Associate Administrator requested the Executive Board to take note of the report on cost classification and of the need for a more transparent, strategic and aligned cost classification of activities. He apprised the Executive Board of certain special situations that had arisen, namely:

(a) *A special authorization from the Reserve Bank of Zimbabwe* had been secured to allow the use of United States dollars to facilitate continued humanitarian work by the United Nations country team;

(b) *A gradual phase-out over three years*, following decision 2007/34 and as an exception, of the $6 million programme financing resource transfer to the United Nations Capital Development Fund (UNCDF); *and, related to that,*

(c) *A management decision to provide a resource transfer to UNCDF*, of $5 million in 2009, $3 million in 2010 and $1 million in 2011, as a follow-on to

Board decision 2007/34 (under which UNDP is exceptionally provided a resource transfer to UNCDF of $6 million in 2008), in order to avoid abrupt year-to-year changes while phasing out the support.

18. Many delegations requested further briefings on how programming arrangements and budgets would be influenced, at which point deeper and more detailed questions would emerge. They noted that the proposed reclassification of 'programmes', 'programme effectiveness activities', and 'United Nations development coordination activities' would have implications on cost allocations to development programmes.

19. Several delegations called for greater logic and transparency in the UNDP budgeting process to reflect its evolving business model. Some recognized that past budgeting practices might provide a logical model. They raised six key points for consideration by UNDP, namely: criteria by which programme effectiveness and coordination costs would be determined; 'dual approach' to the biennial support budget and programming arrangements to allow the Executive Board to compare old and new systems; harmonization with UNFPA and the United Nations Children's Fund (UNICEF); clear presentation of efficiency savings; continued use of variable indirect costs to calculate cost recovery rates; and support for the conceptual shift proposed by UNDP.

20. Various delegations stressed that UNDP should keep the strategic plan in mind when revising cost classifications so that Executive Board members could properly judge results. One delegation asked how the flexibility requested in the strategic plan might be factored into regular and programme resources. Another asked for implementation support services to be included in the cost recovery methodology. Many reaffirmed the need for a transparent, results oriented, and coherent budget structure that would be simplified as well as harmonized. The Executive Board took note of the report on cost classification in UNDP (DP/2009/3).

III. Country programmes and related matters

21. The Associate Administrator reminded delegations that, in accordance with decision 2001/11 and 2006/36, country programme documents are approved on a no-objection basis. The Executive Board approved country programmes for: Angola, Côte d'Ivoire, Kenya, Mauritania, Niger, the Republic of the Congo, Timor-Leste, Haiti, and Venezuela (Bolivarian Republic of).

22. The Associate Administrator provided a detailed account of his recent field visit to Haiti, highlighting the job creation and humanitarian efforts of UNDP and highlighting support to public institutions in the justice and police sectors. He described the scaling up South-South and trilateral cooperation in support of development in the areas of agriculture, solid-waste management, and training for Haitian justice professionals. The Associate Administrator took the opportunity to apprise the Executive Board of upward revisions to the core resources allocation for Haiti, to $22.29 million, and other resources allocation, to $116.2 million, based on guidance from the Board.

23. Two delegations expressed satisfaction with the approval of their country programmes, speaking about key areas where UNDP assistance and guidance promises to protect achievements toward the MDGs in the context of the global crises. The delegations also thanked UNDP for a collaborative and symbiotic

relationship and looked forward to continued progress towards nationally-driven development goals. One delegation announced a voluntary contribution to UNDP for 2009.

Democratic People's Republic of Korea

24. At the second regular session 2008, UNDP presented a 'road map' for the possible resumption of activities in the Democratic People's Republic of Korea (DP/2009/8), with which the Executive Board concurred. At the first regular session 2009, the Associate Administrator, and the Assistant Administrator and Regional Director for Asia and the Pacific, provided an update on UNDP findings from a technical mission and government discussions that took place in Pyongyang in October 2008. These discussions took place in full consideration of decision 2007/12, including the oral decision which was explained by the Associate Administrator of UNDP, as well as the confidential report on United Nations Development Programme activities in the Democratic People's Republic of Korea, 1999-2007 (Nemeth report).

25. In addition to the measures outlined in the management proposal for the resumption of operations in the Democratic People's Republic of Korea, the Regional Director provided additional information on key elements of the operation of a resumed programme on which the Democratic People's Republic of Korea had agreed, and assured the Executive Board that UNDP was in the process of systematically addressing all of the recommendations to improve programme management contained in the Nemeth report. Highlights of the new management plan included:

(a) *Human resource management*, including discontinuing sub-contracting of national staff members by the government, more competitive recruitment, staff evaluation and selection entirely at the discretion of UNDP, agreement directly with an individual to become a UNDP staff member, and direct payment of salaries and entitlements to individuals;

(b) *Finance and banking*, including local payments made in local currency and the agreement by the government to meet global UNDP banking standards;

(c) *Strengthened monitoring and evaluation*, with the addition of an international monitoring and evaluation specialist in the country office, regular visits to projects, and ample reporting on a regular basis on the implementation of these measures as well as on the overall programme. The Government of the Democratic People's Republic of Korea has agreed to give UNDP unhindered access to project sites and given assurances that UNDP will be able to physically verify the appropriate use of all project equipment and assets. These actions will all form part of the implementation of a detailed monitoring and evaluation plan;

(d) *Transparent communication*, in line with UNDP worldwide standards and similar to all other UNDP programmes, UNDP will establish a website on its programme in the Democratic People's Republic of Korea with its overall objectives, detailed information on the country programme, projects, operations, and procurement for public viewing.

26. He concluded by calling upon the Executive Board to authorize the package to allow UNDP to resume its work in the Democratic People's Republic of Korea.

27. Many delegations expressed support for the activities outlined in the package of measures, recognizing the importance of putting UNDP back to work in the country

with stronger accountability and monitoring and evaluation roles. Two delegations reminded the Board that considerable time and resources had been spent on analysing and investigating the programme, with one delegation expressing appreciation for the transparency brought to all UNDP development activities as a consequence of those efforts. Another delegation called the programme suspension politically motivated, but was pleased that the various investigations had revealed no wrongdoing. Many warned that such suspensions would divert UNDP from being neutral and impartial in providing human development assistance and jeopardize the achievement of internationally agreed-upon development goals.

28. Several delegations called upon UNDP to keep the Executive Board apprised of developments in the Democratic People's Republic of Korea. One delegation thanked UNDP for its pragmatic approach in identifying the elements needed to address past problems. It requested clarification on arrangements for hiring local staff. Another delegation stressed that UNDP programme operations in the Democratic People's Republic of Korea should be limited to supporting sustainable human development objectives, in accordance with decision 2007/12, including the oral decision which was explained by the Associate Administrator of UNDP, and requested UNDP to monitor activities closely.

29. Some delegations identified an area where two UNDP energy projects could be integrated into one, and spoke of shortcomings in capacity-building, training, and sustainability. They asked whether there was a 'ceiling amount' in adopting additional projects. One delegation highlighted the risk that, due to the interruption of development assistance, the Democratic People's Republic of Korea might miss national and international development targets, including the MDGs. Another asked that additional funds be dedicated to the country programme.

30. Many delegations expressed support in aligning the UNDP country programme with those of other United Nations organizations, upon completion of the package of measures in 2010. They felt that a resumption of UNDP presence would free other organizations to focus on their mandates, while allowing the UNDP to resume its critical function of aid coordination.

31. Based on the management proposal (DP/2009/8) and on the additional assurances provided during by the Regional Director in the course of Board deliberations, the Executive Board adopted decision 2009/1 on the proposed measures for the resumption of UNDP programme operations in the Democratic People's Republic of Korea. The delegation of the Democratic People's Republic of Korea thanked the Executive Board President, the UNDP Administrator and staff, and the Group of 77 and China, welcoming the return of UNDP and pledging a collaborative relationship with the organization.

IV. United Nations Office for Project Services

UNOPS financial regulations and rules; report on comprehensive post classification at UNOPS and proposals for implementation of the recommendations.

32. The Executive Director of UNOPS presented an overview of the proposed financial regulations and rules and post reclassification efforts. He stressed that these were based on international public sector accounting standards to codify and reinforce risk management and financial controls. He assured delegations that the

proposals reflected the accountability framework and new governance arrangements approved by the Executive Board.

33. He reiterated that post reclassifications were needed to help the organization attract and retain talent; high attrition rates had negatively affected productivity and budgets. He pledged that UNOPS would undertake post reclassifications gradually, after careful management consideration of budgetary and personnel implications. He informed the Board that, following Executive Board guidance on governance arrangements, the Secretary-General had delegated personnel responsibility to the Executive Director.

34. The Executive Director provided some preliminary budget numbers, which were expected to meet net budgetary targets, with delivery moving above $1 billion for the first time and revenue reaching $6.3 million. He reaffirmed his commitment to engaging with delegations on the UNOPS strategic plan in the lead-up to its consideration at the second regular session 2009, and updated the Executive Board on an investigation into alleged wrongdoing by a UNOPS senior manager.

35. Many delegations supported the post reclassifications request and said it should be approved expeditiously, to permit UNOPS to align its human resources with the United Nations common system. One delegation raised concerns about the scope and timing of the proposed post re-classifications, and called for additional time for Executive Board consultations, including with United Nations Advisory Committee on Administrative and Budgetary Questions (ACABQ). The delegation cautioned of the need to consider the broader implications of this action on perceptions and potential consequences for the United Nations that such a comprehensive and costly reclassification could have at a time when national budgets are strained and jobs are being lost worldwide. Many recognized the dialogue with the ACABQ and the resulting report, which had informed the post-reclassification proposal. Some congratulated UNOPS on its progress towards implementation of the international public sector accounting standards and addressing the recommendations of the United Nations Board of Auditors, its asset management system, its internal control mechanisms, and the enhanced role of regional representatives. One delegation expressed its concern about the current status of the inter-fund reconciliation and deferred revenue of UNOPS – irrespective of the amount – which could have an impact on the management of this self-financing United Nations entity.

36. The Executive Board adopted decision 2009/4 on the financial regulations and rules of the United Nations Office for Project Services. It also adopted decision 2009/5 on the post classification exercise and its implementation. After adoption of decision 2009/5, one delegation noted its understanding that UNOPS intended to implement the post-classification change in a cost neutral manner, so that salary increases would be offset by productivity gains and reduced costs associated with a turnover rate that had theretofore exceeded the United Nations average. Another delegation commented that it would carefully monitor the management activities of UNOPS.

V. United Nations Capital Development Fund

37. The Executive Secretary of UNCDF summarized how the presence of the organization had grown from 23 to 40 programme countries over the last four years; how the organization had undertaken a process of decentralization; how total income in 2008 expanded to $50 million from 24 different donors; and how nearly

all new programmes were joint programmes, under United Nations Development Group (UNDG) guidelines. He explained the advantages of the UNCDF capital investment mandate from a financial flexibility perspective, and identified critical development results for UNCDF in 2008, including:

(a) *Local development*, specifically the expansion of capacity-building and investment support to 749 local governments – nearly 70 per cent in Africa;

(b) *Inclusive finance*, specifically support provided to 40 institutions with over 1.5 million clients, 60 per cent of whom were women. The Executive Secretary added that in 2008, UNCDF initiated inclusive finance programmes in 16 least developed countries;

(c) *Evaluations and ratings*, specifically the positive rating of UNCDF by the Consultative Group to Assist the Poor – an independent policy and research centre – in the area of donor effectiveness. The Executive Secretary mentioned a 2008 World Bank self-evaluation document that recognized UNCDF for its local development work.

38. Delegations expressed confidence in the leadership of the Executive Secretary and were encouraged by the strong performance of UNCDF, reaffirming the important role it plays in supporting least developed countries in microfinance and local development. One delegation called on UNCDF to continue communicating its comparative advantages vis-à-vis UNDP, other financial institutions, and the wider aid architecture. That delegation requested UNCDF to working towards expanding its donor base. Another delegation noted the new strategic partnership with UNDP, which had strengthened the regional and country level presence of UNCDF, encouraging greater efficiency. It called on the organization to continue work on decentralization, local development and inclusive finance, to expand programme offerings and continue results-based management practices. One delegation expressed support for the MicroLead programme and encouraged UNCDF to use it in post-conflict situations and strengthen ties with the activities of the Peacebuilding Commission.

39. The Executive Secretary provided details of the recent establishment of an operational review committee, the relative fragility of the core resource base despite recent growth, and new strategic partnerships with a host of United Nations organizations in addition to closer ties with UNDP. He described the new $26 million facility 'MicroLead', a South-South initiative designed to bring leading Southern-based microfinance institutions to underserved least developed countries, especially those in crisis and post-conflict situations. MicroLead, he added, was receiving substantial support from the Bill & Melinda Gates Foundation. The Executive Secretary stressed the commitment of UNCDF to catalytic work, measureable results, and integrity and transparency, calling on Executive Board members for continued support to regular and other resources for UNCDF. He concluded by introducing the new Deputy Executive Secretary.

VI. Gender in UNDP

40. The Assistant Administrator and Director of the Bureau for Development Policy (BDP) and the Director, BDP Gender Unit, provided a comprehensive overview of gender in UNDP, the progress made and the challenges that remained.

41. The Assistant Administrator and Director of BDP gave a statistic to illustrate the scope of the challenge: 82 million women were unemployed, up from 70 million a decade ago. Women who were working, he said, were in less productive sectors carrying higher economic risk. In the context of the global economic crisis, he spoke of UNDP support to gender and human development through enhancing national capacity to mainstream gender equality in development policies, programmes, and budgets. He mentioned a groundbreaking study on the impact of the crisis on gender equality, which is helping UNDP shape nationally tailored responses. The Director, BDP Gender Unit, spoke about the UNDP gender action plan and advances in internal capacity, accountability and gender tracking mechanisms.

42. The Director, BDP Gender Unit, updated the Executive Board with detailed information on:

(a) *Enhancing capacity for gender mainstreaming*, with the global launch of the gender equality strategy by the Administrator of UNDP;

(b) *Enhancing corporate accountability for gender equality results*, through improved monitoring and reporting;

(c) *Finances for gender equality*, including the total regular resources contribution of $12,800,000 for implementation of the gender equality strategy;

(d) *Human resources for gender mainstreaming*, including proper staffing for regional gender programmes intended to stimulate and complement country-level gender action;

(e) *Strengthened knowledge management for gender equality*, with a specific focus on revamping the UNDP gender website and regional portals;

(f) *Increased global and national inter-agency joint programming*, through United Nations country team gender thematic groups as well as several inter-agency gender taskforces.

43. The Director, BDP Gender Unit thanked the Executive Board for its support of the gender equality strategy, assuring delegations that attention would be focussed on protecting gains made towards achieving the MDGs and providing constituents with tools and capacities to help them respond to the affects of global crises.

44. Many delegations encouraged UNDP to continue mainstreaming and integrating gender perspectives into its focus areas and enhancing accountability on gender issues to achieve results. They recommended the development of success indicators linked to the MDGs and asked how UNDP tracked resources committed to gender equality and women. They emphasized the need for UNDP managers and staff to believe in the value of gender equality for real success to occur. They requested additional information about: cooperation with governments on gender budgeting; whether sufficient resources and gender expertise exist in each of the UNDP focus areas; and what UNDP considers to be the key challenges of mainstreaming gender perspectives, given the diverse country contexts in which it works. One delegation announced that, with help from its development partners, 18 per cent of its parliamentary seats were now dedicated to women.

45. The Executive Board adopted decision 2009/6 on the implementation of the UNDP gender equality strategy, 2008-2011.

Joint segment

VII. Recommendations of the Board of Auditors

46. The UNDP Associate Administrator, the UNFPA Deputy Executive Director (External Relations, United Nations Affairs and Management) and the UNOPS Deputy Executive Director introduced the reports of their respective organizations (DP/2009/5; DP/FPA/2009/1; DP/2009/6). A representative of the United Nations Board of Auditors participated in the discussion.

47. Delegations commended the follow-up by the three organizations in implementing the recommendations of the Board of Auditors and welcomed the participation of the representative of that Board in the current discussion. They requested additional information on the consequences of IPSAS implementation and the provisions being made by the organizations to meet after-service health insurance costs. They also requested additional information on IPSAS implementation during 2009, through formal discussion at the Executive Board and informal briefings. Delegations asked the representative of the Board of Auditors how he viewed the implementation of the recommendations by the organizations and if any deficiencies were noted. They inquired about the perspective of the Board of Auditors on risks and risk mitigation actions that could be taken by the organizations. They asked to continue the dialogue with the Board of Auditors either at the annual session 2009 or at the second regular session 2009.

48. Regarding UNDP, some delegations wondered why so few headquarters audits had taken place. One delegation expressed a desire to receive more information on the harmonized approach to cash transfers. Another asked for more stringent treasury management, as well as for the database of results-based management indicators to be updated and made more specific, time-bound and attainable. One delegation asked UNDP to share plans of how results-based management would be used to monitor country offices and ensure accountability. That delegation was concerned with the low implementation rate of audit recommendations and called for follow-up at the annual session. The issue of stronger reporting on UNDP management of multilateral and bilateral trust funds was also raised as a concern. Delegations inquired how UNDP could strengthen its procurement function and what risks were involved with 'split procurement' orders avoiding review processes.

49. Several delegations recognized the progress made by UNOPS, and appreciated the quality of the report it presented. They called on UNOPS to continue making progress and reporting to the Executive Board.

50. Many delegations directed questions to the representative of the Board of Auditors: how did he view the implementation of the audit recommendations by the organizations? Were any deficiencies noted? What was the perspective of the Board of Auditors on organizational risks, risk management and risk mitigation actions that could be taken by the organizations?

51. The Board of Auditors representative provided a brief response, highlighting progress made since the report was issued. He spoke about the importance of interacting with the audit committees of UNDP, UNFPA, the ACABQ and the Fifth Committee of the General Assembly. He outlined the biennium interim process, where the Board of Auditors formally validates progress on recommendations. He

spoke of the 'top risks' initiative implemented by UNDP senior management, confirming it as a best practice. Responding to a specific question, the representative stated that two previous reports had highlighted split procurement, and that it could be addressed through programme controls built into the Atlas system and a review mechanism to spot issues at the earliest possible moment.

52. The Associate Administrator stated that 13 audits would take place at headquarters in 2009. This would become a standard for the organization, he said. Regarding treasury, he was surprised at the unsatisfactory rating but had taken the lead on a comprehensive plan to reorganize and implement audit recommendations. Regarding procurement, UNDP had taken the initiative to audit processes and gauge weaknesses, and the outcome had already had an impact. On implementation of the international public sector accounting standards, he agreed that greater exchange would help Executive Board members see the human and financial effort required as well as implications on such areas as after-service health insurance. He assured the Board that greater attention would be paid to trust funds.

53. The UNFPA Deputy Executive Director (External Relations, United Nations Affairs and Management) thanked the delegations for their comments and support and assured the Executive Board that UNFPA had all the necessary systems in place to implement the recommendations of the Board of Auditors. She welcomed the request for an update on implementation of the international public sector accounting standards and noted that the annual session 2009 would be an opportune time for such an update. She stated that UNFPA had begun implementing the standards in 2008 and expected full implementation by January 2010. She added that UNFPA was fully engaged with other partners in the implementation process.

54. Regarding after-service health insurance, she noted that UNFPA was well prepared and had commenced funding of liabilities for 2007 and earlier years. For future after-service health insurance liabilities, UNFPA was providing for these through monthly payroll costs on an estimated basis with effect from January 2008. Concerning the issue of vacancy management, she assured the Executive Board that UNFPA was fully committed to reducing the lead time in filling vacancies. She noted that UNFPA welcomed the opportunity to provide an update (possibly at the annual session). She concluded by recalling that UNFPA reported twice a year on audit, namely, on external audit at the first regular session of the Board and on internal audit at the annual session.

55. The Executive Board adopted decision 2009/2 on the reports of UNDP, UNFPA and UNOPS on the implementation of the recommendations of the Board of Auditors, 2006-2007.

VIII. Report to the Economic and Social Council

56. On behalf of UNDP and UNFPA, the UNFPA Deputy Executive Director (External Relations, United Nations Affairs and Management) introduced the joint report to the Economic and Social Council (E/2009/5).

57. Delegations reaffirmed the strong relationship between the General Assembly, the Economic and Social Council, and the Executive Board, and the accountability among them. Delegations called for increased effectiveness and efficiency, coherence between the organizations, and a focus on organizational mandates, and harmonized processes. They noted that future reports to the Economic and Social

Council should closely follow the structure and sequence of General Assembly resolution 62/208. Delegations emphasized the need to streamline and rationalize reporting requirements and stressed that duplication and an undue reporting burden should be avoided.

58. While stressing the importance of transparency and accountability for operational and management activities, one delegation expressed the hope that UNDP and UNFPA would steadily implement on-the-ground results-based activities without exhausting themselves due to the increased reporting obligations. The delegation noted that it would respect the initiatives of UNDP and UNFPA on how to meet the requirements of General Assembly resolution 62/208.

59. Delegations called for higher-quality reports for stronger benchmarking, highlighting achievements against those identified in strategic plans; and the inclusion of lessons learned, challenges, and forward-looking recommendations. They stated that it was important to address the needs of middle-income countries; South-South cooperation; and challenges in the area of capacity development. Delegations also emphasized the need to increase technical and financial support to the resident coordinator system; expand the pool of candidates for resident coordinator posts; and improve transparency in the selection process for high-level United Nations officials.

60. Delegations noted that the new comprehensive policy review contained some crucial mandates specific to UNDP and UNFPA and it would be important for the Executive Board to continue to maintain a focus on the implementation of those mandates through its reporting to the Economic and Social Council. In particular, they were interested in knowing how the organizations planned to meet the challenges identified in the area of capacity development. Six delegations elaborated on the new experiences emerging from pilot and non-pilot countries in implementing system-wide coherence and delivering as one.

61. The Assistant Administrator and Director of the Partnerships Bureau responded by acknowledging delegations' calls for reporting to be more closely aligned with the structure of the triennial comprehensive policy review. Further discussion was merited, he said, so as to avoid duplication with strategic plan reporting obligations, Department of Economic and Social Affairs reporting obligations and to ensure the best possible structure and analysis is provided to the Board. He spoke of the 'advisory group of 13' that formed to tackle issues surrounding business practices, joint sessions, and quality of resident coordinators, amongst other things. He concluded by touching upon the importance of the next generation of UNDAFs, the evaluation of delivering as one pilots requested by the General Assembly, and reaffirmed the needs of middle-income countries and the vital importance of South-South cooperation.

62. The UNFPA Deputy Executive Director (External Relations, United Nations Affairs and Management) concurred with delegations that had stated that while reporting was very important an undue burden should not be placed on the organizations. She noted that it was particularly important not to overburden country offices with additional reporting requirements, given the need to focus on programme delivery. She underscored that the issue of support to the resident coordinator system was being addressed. Also, the UNDG had developed a position statement to guide the United Nations system approach to capacity development. UNFPA was continuing to address the challenges in the area of capacity development. She concurred that it would be important to report on South-South

cooperation and issues pertaining to middle-income countries. She thanked the Executive Board for providing valuable guidance.

63. The Executive Board adopted decision 2000/3 on the report of the Administrator of UNDP and the Executive Director of UNFPA to the Economic and Social Council.

UNFPA segment

Opening remarks by the President of the Executive Board

64. The UNFPA segment began with the opening remarks of the President of the UNDP/UNFPA Executive Board. He underscored the vital role that UNFPA played in the international development architecture. Noting that the year 2009 marked the 40th anniversary of UNFPA and the 15th anniversary of the Programme of Action of the International Conference on Population and Development (ICPD), the President stated that over the last 40 years UNFPA had played a leading role in the United Nations system in promoting population and development issues. He highlighted the vital work of UNFPA in assisting countries in the areas of population dynamics; reproductive health, including family planning; and gender equality. He observed that UNFPA was the world's largest multilateral source of population assistance to developing countries.

Statement by the Executive Director

65. The Executive Director began her statement (available on the UNFPA website at http://www.unfpa.org/exbrd/2009/2009_first.htm) by congratulating the President and the other members of the Bureau on their election. She thanked the outgoing President and Vice-Presidents for their excellent leadership. She paid tribute to the UNDP Administrator who had announced that he would not seek a second term. She welcomed the inauguration of the President of the United States of America and hoped to work closely with the country in achieving the MDGs and more specifically the target of universal access to reproductive health by 2015. The Executive Director underscored that the United Nations remained an institution of "hope" while confronted by huge challenges. Noting that "just as crises are connected, people are too", she stressed the need to maximize the power of connections and to reach across cultures, promote universal values and find solutions to the many crises facing the world. She stated: "We must insist that those who need us most are the centre of our efforts". She emphasized the centrality of ICPD goals to achieving the MDGs.

66. The Executive Director elaborated on the importance of building networks at national, regional and global levels to enhance the flows of information, knowledge and experience, including through South-South cooperation and North-South relations. She highlighted the Fund's Campaign to End Fistula and noted that UNFPA was intensifying action with partners to achieve MDG 5 to improve maternal health, including a highly targeted effort in 60 high-maternal mortality countries. She thanked all the countries that had contributed to the UNFPA Maternal Health Trust Fund. She emphasized the importance of reproductive health commodity security. She highlighted UNFPA partnerships with WHO, the World Bank, UNICEF, UNHCR and various non-governmental and civil society organizations, including faith-based organizations. She noted that UNFPA was reaching out to young people through building and/or using existing networks,

including the Global Youth Advisory Panel and the Coalition for Adolescent Girls. The Executive Director elaborated on the Fund's culturally sensitive approach to human rights, including the rights to sexual and reproductive health and development in general. She noted that UNFPA was working with many networks to prevent violence against women.

67. Noting UNFPA commitment to United Nations reform, including simplification and harmonization, and delivering as one, the Executive Director stated that UNFPA was becoming more field-focused and results-oriented through its regionalization. She updated the Executive Board on the establishment of the regional offices and thanked the governments that had provided generous support for regionalization. The Executive Director underscored that UNFPA was focused on enhancing accountability, oversight, monitoring and evaluation. Furthermore, concrete steps were being taken to strengthen staff safety and security. The Executive Director updated the Executive Board on the Fund's financial situation: in 2008, provisional core contributions totalled $430 million, an increase of more than $10 million over the previous year. However, it was $50 million less than expected, due to unfavourable exchange rates coinciding with late payments from some major donors. The non-core contributions income was approximately $300 million, an increase of $50 million from 2007. She did not foresee any decrease in 2009: several donors had already pledged increases. She thanked the UNFPA top donors and also those countries that had made multi-year pledges. She thanked all countries for the trust and confidence placed in UNFPA and for their contributions.

68. Delegations applauded the Executive Director and praised her inspiring and insightful statement. They expressed strong support and appreciation for her leadership and for the work of UNFPA. They appreciated her commitment to the issues of culture and religion in the context of development cooperation and the partnerships built with faith-based organizations. Delegations congratulated her on the two-year extension of her tenure. They also thanked her for her leadership as chair of the High-Level Committee on Management, and commended the work on the business practice reform initiative. Delegations emphasized that the ICPD agenda was crucial for achieving the MDGs and winning the fight against poverty. They expressed concern that progress on MDG 5 was lagging and that the current global financial crisis would further compromise the attainment of the MDGs. Concern was also expressed regarding the decline in international funding for family planning. The Netherlands delegation announced that with UNFPA it would co-organize a high-level meeting on MDG 5. Underscoring the importance of a comprehensive approach to global health, including reproductive health and maternal, newborn and child health, the Japanese delegation announced that the TICAD Ministerial Follow-up Meeting would be held in Botswana in March. Delegations noted that the global financial crisis had underscored the need to make aid more effective and get more value for money.

69. Delegations noted the Fund's contribution to HIV prevention. They underscored the importance of linking sexual and reproductive health initiatives with HIV prevention efforts. They commended UNFPA collaboration with WHO, UNICEF and other development partners. One delegation underscored the importance of the female condom in empowering women and noted that UNFPA had become a member of the steering committee of the Universal Access to the Female Condom Initiative. While emphasizing that UNFPA had a central role to play on gender issues, delegations encouraged a better division of labour amongst agencies at the country level and a focus on comparative advantages. They also urged agencies

working on gender to produce gender-disaggregated data to track the impact of programmes on women and girls. One delegation noted that its Secretary of State-designate had long been interested in and engaged on many of the issues in which UNFPA was involved and she had recently underscored that the plight of women and girls were of particular concern to her.

70. Delegations commended UNFPA commitment and efforts regarding harmonization, delivering as one and other aspects of United Nations reform. It was stressed that UNFPA had a central role to play in promoting the culturally sensitive approach in the context of delivering as one. Such an approach had great potential in challenging discrimination and harmful practices across different cultural settings. Delegations commended UNFPA commitment to supporting national leadership and national ownership. They stressed the importance of broadening policy dialogue on development at the country level and underscored the importance of the Accra Agenda for Action. They inquired about capacity development and hoped that regionalization would strengthen the Fund's delivery of technical and programmatic assistance, including with regard to the integration of sexual and reproductive health and rights into efforts to strengthen national health systems.

71. Sweden announced that it would substantially increase its core contribution to UNFPA in 2009 and also provide a contribution to support the work of UNFPA regarding MDG 5. The United Kingdom stated that it would provide UNFPA with up to $132.5 million (89.5 million pounds) in core funding between 2008 and 2011. Denmark and the United Kingdom announced a new joint institutional strategy with UNFPA. The Netherlands, the top donor to UNFPA, noted that it had committed 58 million euros per year for the duration of the UNFPA strategic plan. The Netherlands stated that it had also increased its annual contribution to the UNFPA Global Programme on Reproductive Health Commodity Security and would provide 30 million euros per year until 2011. Norway stated that it had made an indicative multi-year pledge and would maintain its annual core contribution, at a minimum, at the 2008 level. Furthermore, the Norwegian parliament had decided to increase the country's development assistance budget for 2009 to the level of 1 per cent of gross national income. Donors making multi-year pledges urged others to do the same. The Republic of Korea noted that as a newly emerging donor it was committed to give back to the international community.

72. The Executive Director thanked delegations for their support and welcomed the announcements by some delegations regarding increased contributions, multi-year pledges and additional contributions. In expressing appreciation for the joint institutional strategy developed by Denmark and the United Kingdom, she noted that it would reduce transaction costs. Regarding the need to address restrictive rules and procedures that impeded coherence between United Nations agencies, she stated that the funds and programmes were harmonizing their rules, regulations and business practices. She elaborated on the various actions UNFPA was undertaking to increase capacity development in programme countries. In the area of HIV prevention, the use of report cards and the SRH/HIV assessment tool, scaled up condom programming (including the provision of female condoms) and linkages with the Global Fund were proving beneficial. She underscored the work of UNFPA in the areas of reproductive health and HIV prevention among women, girls and vulnerable population groups, including sex workers. She referred to attending a recent meeting in Mexico where ministers of health and education had committed to providing age-appropriate sexuality education. She discussed how UNFPA provided technical assistance to programme countries: until recently it had been through the

country technical services teams; now, with regionalization, there was an increased focus on integrating the technical and programmatic dimensions of assistance, and the utilization of regional institutions and expertise, including knowledge networks. She noted that UNFPA was also providing technical assistance in the areas of costing and monitoring and evaluation to build capacity in both governmental and non-governmental organizations. She noted that the International Planned Parenthood Federation was a strategic partner of UNFPA. She stated that the Partners in Population and Development (an intergovernmental organization) exemplified the type of valuable networking among countries necessary to advance the ICPD agenda.

Oral briefing on the development of the UNFPA evaluation policy

78. The Director, Programme Division, UNFPA, provided an oral briefing to the Executive Board on the development of the UNFPA evaluation policy, in response to decision 2008/12. A background note was distributed at the meeting and can also be accessed at http://www.unfpa.org/exbrd/2009/2009_first.htm.

79. The Director, Programme Division, noted that the evaluation policy being designed by UNFPA aimed at fostering both programme effectiveness and accountability and responded to General Assembly resolution 62/208. He delineated the guiding principles and the key features of the evaluation policy being developed. He welcomed the comments of the Executive Board.

80. Several delegations stated that they attached high importance to the evaluation function and its independence, including with regard to its budget and work programme. In that regard, they wondered about the independence of the evaluation function vis-à-vis the proposed oversight to be exercised by the UNFPA Executive Committee. Delegations emphasized the importance of conducting joint evaluations, including with the participation of national counterparts; and contributing to national capacity development for evaluation.

81. They encouraged UNFPA to harmonize with sister agencies, including UNICEF and UNDP, and to benefit from their recent experience in producing an evaluation policy. Delegations stated that they looked forward to additional informal meetings to discuss the evaluation policy prior to its submission to the Annual session 2009.

82. The Director, Programme Division, thanked the Executive Board for the comments and suggestions and noted that the principle of independence was already included in the draft policy being prepared and would be maintained.

IX. Country programmes and related matters

73. In accordance with decision 2006/36, the Executive Board approved seven UNFPA-supported country programmes on a no-objection basis, without presentation or discussion. The following programmes were approved: from Africa – Angola, Côte d'Ivoire, Kenya and Mauritania; from Asia and the Pacific – Timor-Leste; and from Latin America and the Caribbean – Haiti and Venezuela (Bolivarian Republic of).

74. Following the approval of the country programmes, the delegations of Mauritania and Kenya took the floor to thank the Executive Board for approving the programmes and to express appreciation for UNFPA support and close cooperation and collaboration with national authorities and other development partners. The

delegation of Mauritania stated that its country would increase its contribution to UNFPA in 2009.

X. Other matters

Farewell tribute to the Administrator

75. Representatives from each geographical region paid tribute to the Administrator. They spoke of his strong experience as a government minister and as a leading international advisor on development. They highlighted his stewardship of UNDP through difficult times, reiterating the organization's key role as a trusted partner to developing countries. Statements emphasized his inspirational and intellectual leadership, his spirit of openness, and his innovative approach to increasing UNDP resources for development action. They praised the Administrator as a champion of reform and recognized his tireless efforts to increase transparency and efficiency at UNDP and to advance greater harmonization and coherence across the United Nations system. Delegations noted the analytical rigour he brought to the post, adding that the next Administrator would have large shoes to fill.

76. The Executive Board adopted decision 2009/7, an expression of appreciation to Kemal Derviş, Administrator of UNDP from 2005-2009.

Informal meetings

77. The Executive Board held the following informal meetings:

UNDP. An informal consultation on the implementation of decision 2008/37 on internal audit and oversight;

UNOPS. A briefing on the UNOPS strategy.

Annex

Joint meeting of the Executive Boards of UNDP/UNFPA, the United Nations Children's Fund and the World Food Programme

Population growth and rapid urbanization: Food insecurity on the rise in urban settings

83. The President of the World Food Programme (WFP) Executive Board invited the WFP Deputy Executive Director to introduce the background paper on behalf of UNDP, UNFPA, UNICEF and WFP. The Deputy Executive Director noted the rapid growth of urban areas and the 'new face' of poverty, hunger and food insecurity confronting people living in them. Urban poverty would become increasingly a major challenge for development and for attaining the internationally agreed development goals, including the MDGs. He drew the attention of Board members to some broader dimensions indicating that the food crisis and the financial crisis would make it even more difficult to respond to the challenge of urbanization. Of the 1 billion hungry people in the world, many lived in urban areas; response to their needs must be timely. While it was important to ensure a response to urban poverty, hunger and malnutrition, the silent tens of millions in faraway places who did not have a voice could not be forgotten. Food and nutritional assistance could address immediate needs and be an important engine of growth, which was much needed in the current global economy, where there was a strong economic argument for the dramatic and positive impact on productivity and growth by a better-nourished and educated population. Lastly, he pointed out that climate-related disasters compromised health, nutrition and education and that part of the coping mechanisms of those populations affected by climate change was to move to urban areas, some of which may be vulnerable to climate-related events.

84. In concluding, the Deputy Executive Director stressed that government responses and initiatives must be supported by coordinated action among United Nations organizations, and that there was a need to mobilize a wide coalition of actors – engaging governments and city administrators, and reaching out to non-governmental and civil society organizations that addressed urban poverty. There was a need for a sharper focus on urbanization and the specific problems faced by the urban hungry and poor, including challenges created by urban slums being unregistered, and the high mobility of urban poor people and their limited access to social services. Support from governments at all levels was needed to build appropriate responses that would ensure food and nutrition security for the urban poor.

85. The Permanent Representative of Tajikistan shared his country's perspectives on how the Government had addressed the issues brought about by the food and energy crisis. He indicated that 72 per cent of the population lived in urban settings, and that only 7 per cent of the land was arable. Rising food prices in 2007 had a negative impact on the poorest people; food import bills tripled, and access to food was precarious. He stressed that food security was a priority for the Government, which had addressed the issues not only by producing more food, but also by increasing the purchasing power of the poorest people.

86. Many delegations commended the paper and supported the United Nations organizations' intention to work in urban areas, but cautioned against neglecting rural areas, and urged ensuring inclusion of other relevant partners such as

the United Nations Human Settlements Programme. Programme planning and interventions should be based on vulnerability assessments and should engage all stakeholders of the urban poor, especially women. Furthermore, some delegations indicated that private sector involvement was critical to programme success. A few delegates highlighted the importance of supporting government responses and initiatives, while ensuring adequate policy preparations at national and sub-national levels, and investments in state and municipal capacities.

87. The panellists responded that engaging with the poor in urban areas was rather more difficult than in rural areas, because community and kinship ties were not as strong there. In addition, factors such as mobility, lack of a voice and the difficulty in organizing communities hampered efforts by the poor to achieve successful and structured engagement. The role of the private sector in production and distribution of food was recognized; particular mention was made of current work with the Bill & Melinda Gates Foundation, the Rockefeller Foundation and the United Nations to better connect small farmers to markets, against the budget of $1 billion of food purchase in developing countries in 2008.

Unstable food prices and linkage with food and nutrition security

88. The President of the UNICEF Executive Board invited the UNICEF Executive Director to introduce the background paper on unstable food prices and the linkage to food and nutrition security and to lead discussions on behalf of UNDP, UNFPA, UNICEF and WFP. The Executive Director highlighted the continuing challenges created by unstable food prices, especially their role in heightening vulnerabilities in developing countries, as the deteriorating nutritional status of the poor was likely to be further exacerbated by the global economic crisis. She also stressed the importance of close collaboration to combat the effects of unstable food prices and the global economic crisis, to ensure achievement of the MDGs.

89. The coordinator of the High-Level Task Force on the Global Food Security Crisis referred to the coordinated United Nations response mechanisms in place to support governments in their short- and longer-term actions to: mitigate the impact of unstable food prices; increase agricultural productivity, especially of smallholder farmers; address malnutrition; and strengthen resilient social protection systems, as detailed in the Comprehensive Framework for Action issued in July 2008. WFP had received significant support for scaling up its programmes, but funding still fell far short of the estimated needs for supporting all outcomes of the framework.

90. The United Nations resident coordinator in Mozambique underscored that country's heavy reliance on food imports and described the coordinated United Nations support to the government response to rising food prices. This response essentially followed two tracks: (a) enhancing food production and trade; and (b) expanding social action and safety nets for the most vulnerable in the areas of education, nutrition and health. The Permanent Representative of the Republic of Mozambique further elaborated on the Government's response, especially in embarking on an accelerated 'green revolution' and on the vital services that the United Nations organizations were carrying out in a coordinated manner through the United Nations country team.

91. In the discussions that followed, several delegations expressed concern that the global economic crisis would further erode the purchasing power of the poor, thus

increasing the number of people living in poverty and unable to acquire the foods they needed, resulting in a real possibility that MDG 1 ("Eradicate extreme poverty and hunger") would not be reached.

92. Delegations supported the Comprehensive Framework for Action and stressed the importance of a coordinated United Nations response; they mentioned Mozambique as a good case study in this respect, referring also to its commitment to 'delivering as one'. They also indicated support for a broader partnership to address food and nutrition insecurity, as would be proposed at the High-Level Meeting on Food Security for All, held jointly by the Government of Spain and the United Nations in Madrid, on January 26-27 2009. Providing assistance to smallholder farmers was considered vital, since they could stabilize the local food supply. A specific recommendation was to increase the percentage of official development assistance devoted to actions addressing hunger.

93. A number of delegations recommended an integrated multi-sectoral response to unstable food prices, as their impact was felt in nutrition, health, education, water and sanitation, and general protection. Women were particularly vulnerable, especially those heading households, as their capacity to deal with unstable food prices was generally lower; they also often faced the risk of violence, especially in times of food insecurity. Several delegations stressed the role of organizations in women's empowerment.

94. In response, the panellists indicated that the current instability and the likely worsening conditions due to the global economic crisis should also be seen as an opportunity to address deep-seated problems. The United Nations could play a central role in helping to build national capacities, providing technical assistance and promoting broad partnerships with all stakeholders, including civil society organizations. The example of Mozambique demonstrated how a coordinated United Nations response could support the efforts of the national Government.

95. In terms of support to smallholder farmers, the Rome-based agencies were working with the World Bank to address the challenges those farmers faced, recognizing that a majority of them were women. Gender was a constant concern in all aspects of the United Nations response.

96. The UNICEF Executive Director, reiterating that the United Nations system was well coordinated under the leadership of the Secretary-General, emphasized the need for enhancing broader partnership. A life-cycle approach was considered essential for tackling food and nutrition insecurity and mother and child survival; this included addressing the nutritional needs of pregnant women; promoting exclusive breastfeeding; and ensuring the availability of nutritious complementary foods for infants and young children. An integrated approach was required, given the interaction between disease and malnutrition, and the impact of poor sanitation and hygiene.

97. The positive aspect of unstable food prices was that the world had begun to focus on increasing agricultural productivity and the important role of nutrition in health.

Harmonization among the United Nations funds and programmes: Business practices

98. The President of the UNDP/UNFPA Executive Board chaired the session on the harmonization of business practices among the United Nations funds and programmes. The UNFPA Executive Director introduced the background paper on behalf of all four organizations, focusing on progress made at the global level. The United Nations Resident Coordinator, Mozambique, focused on the achievements and challenges in Mozambique regarding the harmonization of business practices. The Permanent Representative of Mozambique to the United Nations gave a presentation underlining the importance that his Government placed on United Nations reform and, in particular, on the simplification and harmonization of business practices.

99. During the discussion, delegations expressed support for and interest in the ongoing work on the harmonization of business practices, including the business practices proposal. They stressed the need for the entire United Nations system to make progress, taking fully into account existing intergovernmental guidance. Delegations commended the United Nations country team in Mozambique for the progress achieved. A number of delegations called for the United Nations system to ensure that the ongoing reforms at the country level were matched by similar reforms at the global level and that adequate support was provided to countries.

100. Delegations underlined that cost savings realized through business practice harmonization at the country level should be transferred to programmes in those countries. Some delegations asked for further clarification on the difference between the work undertaken in the context of the Chief Executives Board (CEB) High-Level Committee on Management (HLCM) and that undertaken through the UNDG.

101. In her response, the UNFPA Executive Director thanked delegations for their support and guidance. She reiterated the serious commitment of the United Nations system to the harmonization of business practices and to addressing the issues highlighted by Member States. She noted that there was a clear division of labour between the global level where the United Nations system sought system-wide solutions through the CEB and HLCM, and the work of UNDG in support of countries. From the country level, lessons learned and issues that needed the attention of the entire system were passed on by UNDG to HLCM. She also noted that an important part of United Nations reform and coherence must also take place at the level of the governing bodies so that United Nations organizations receive the same messages. The Resident Coordinator in Mozambique thanked the delegations for their support and noted that the harmonization of business practices was essential for effective country-level programme delivery. The Permanent Representative of Mozambique to the United Nations closed by noting that fragmentation of the United Nations system was not an option since countries needed a strong and coherent United Nations system.

Harmonization among the United Nations funds and programmes: Programmatic side – Reinforcing state capacity: United Nations support to national capacity development

102. The President of the UNDP/UNFPA Executive Board invited the Administrator of UNDP to open discussions on national capacity development and the role of the United Nations development system. The Administrator stressed the importance of a

coordinated United Nations system in contributing to increased economic activity, fair distribution of wealth, sustainable environmental management and engaging more people in democratic processes. Social, environmental and economic sustainability were complementary, and he reiterated that the knowledge of United Nations organizations could help states achieve national development goals.

103. The Administrator went on to discuss the essential role states had in ensuring economic and social development, stability and keeping the peace, and the need to invest in the capacities of leadership and state institutions to do so. He emphasized the value of states working as enablers and facilitators between civil society, the private sector and international development partners to advance national development agendas. The experience of United Nations organizations could play a catalytic role in promoting South-South solutions.

104. The Deputy Permanent Representative of Indonesia spoke on behalf of the representative of the Ministry Planning, who was unable to attend. She highlighted recent capacity development achievements in her country, including peaceful elections, post-tsunami rebuilding efforts and early graduation from the International Monetary Fund. She cited the 'localizing' of the Paris Declaration on Aid Effectiveness (in the Jakarta Commitment on Aid for Development Effectiveness) as a key framework for Indonesia and its development partners. In that context, the United Nations actively helped Indonesia strengthen subnational capacity to localize the MDGs, provided assistance in addressing capacity issues in national and local institutions implementing the new decentralization policy, and served as intermediary for the sharing of global knowledge and experience in areas such as climate change, local elections and poverty-reduction strategies; these showcased Indonesia's capacities while it learned and gained from the capacities of others. She concluded by thanking the Board for encouraging country-level capacity development initiatives, and the United Nations system for its support in helping meet country needs.

105. Delegations supported the focus on national capacity development as articulated in the 2007 triennial comprehensive policy review. They reiterated that while the organizations must establish priorities for capacity-building and capacity development according to their respective mandates, they must be guided by the priorities established by programme countries. One delegation asked the UNDG to recognize the differing points of view among development actors on system-wide coherence, suggesting that concepts around South-South and triangular cooperation could strengthen harmonized operational activities among United Nations organizations. It requested that UNDG analyse where harmonization – based on mandates and comparative advantages of each organization – could occur and be effective for development results, and report back. Two delegations requested greater innovation and coordination to help countries achieve the MDGs and other national development priorities, emphasizing the need for continuing reforms. They encouraged United Nations country teams to prioritize capacity development, and called for the more deliberate use of UNDAFs to measure capacity development results. The Board asked for continued dialogue on reinforcing national capacity development and the role of the United Nations development system in that regard.